

FOR RELEASE:

FTIL Board unanimously opposes MCA petition to CLB

Considering the larger interest of 63,000 shareholders of FTIL, company will challenge the MCA's move in the Bombay High Court

Mumbai, March 1, 2015:

The Board of Financial Technologies, which met on Sunday, March 1, 2015, passed the resolution to strongly oppose the Ministry of Corporate Affairs (MCA) petition to Company Law Board (CLB) seeking removal and supersession of the FTIL Board. The Board has further termed the same as a clear attempt by the MCA to render ineffective and in fact, defeat FTIL's challenge and opposition to the Proposed Amalgamation of NSEL with FTIL.

In this respect, also to be noted that the only material act of the new Board since they have joined, is its resolve to oppose the Draft Order and the proposed forced amalgamation by MCA. As such, MCA pleads (unjustifiably), that a bona fide objection or challenge to its proposed actions, amounts to 'mismanagement' on the part of the Board. Such allegations on the part of MCA seem to be mala fide and deserve to be challenged and opposed.

"After deliberating on the matter and also considering that the issue is totally prejudice, mala-fide and not in the interest of FTIL its Board, its employees, its shareholders and other stake holders, we have decided to contest all issues raised by Union Of India vigorously as per the law of the land," Mr Venkat Chary, Acting Chairman, FTIL said. He further added that as the Board is competent enough to deal with current situation, the Company will file a petition before the Honourable Bombay High Court or the Company Law Board or at any other appropriate forum as it deems fit.

The Board also resolved that, since four legal suits are sub judice – including representative suit, fit and proper and writ petition filed opposing amalgamation of NSEL with FTIL – the petition by MCA is inequitable to seek replacement of the entire Board. Also it is seen as an attempt to prevent FTIL from contesting writ petition challenging the amalgamation, representative suit for lifting of corporate veil and the Not Fit and Proper order.

The Board strongly believes that it has acted prudently in the larger interest of over 63,000 shareholders. The Board has also strongly rebutted the allegations that have been levelled in the MCA's petition.

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